

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California***

***United States Attorney  
Carol C. Lam***

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***For Immediate Release***

### **NEWS RELEASE SUMMARY** - June 22, 2004

United States Attorney Carol C. Lam announced today that Dr. Romulo Valdez, a San Diego physician, has pleaded guilty in San Diego federal court to conspiracy to defraud Medicare and Medi-Cal of more than \$725,000.

In his guilty plea before the Honorable Anthony J. Battaglia, United States Magistrate Judge, Dr. Valdez admitted that he conspired with Benison Medical Supply, a San Diego medical equipment supplier, to defraud Medicare and Medi-Cal by submitting false claims for motorized wheelchairs. Valdez admitted that his role in the conspiracy was signing Certificates of Medical Necessity for motorized wheelchairs not needed by the beneficiaries, knowing that Benison would use Valdez's false certifications to bill Medicare and Medi-Cal for the unneeded wheelchairs. Valdez admitted that Medicare and Medi-Cal lost over \$725,000 to this conspiracy.

United States Attorney Lam said, "Every Medicare dollar lost to fraud means there is one less dollar available for those in true need of medical care"

FBI Acting Special Agent in Charge John R. Kingston commented, "The Federal Bureau of Investigation and the Department of Health and Human Services aggressively pursue allegations of health care fraud in all Medi-Cal and Medicare programs. The cost of Dr. Valdez's motorized wheelchair scheme was ultimately passed to all of us in the form of higher insurance premiums. As a result of successful prosecution, individuals involved in these schemes will be excluded from participating in Medi-Cal and Medicare programs."

According to Assistant United States Attorney Daniel E. Butcher, who prosecuted the case, the conspiracy started in or about April 2001, and continued until in or about January 2003. Medicare regulations require physicians to sign "Certificates of Medical Necessity" verifying the beneficiary's need for a motorized wheelchair. Medicare will not pay for motorized wheelchairs without this documentation of medical need. Dr. Valdez's role in the conspiracy was signing false Certificates of Medical Necessity, which Benison then used to obtain over \$725,000 from Medicare and Medi-Cal for unneeded wheelchairs and wheelchair accessories.

Dr. Valdez's sentencing is scheduled for September 10, 2004 at 9:00 a.m. before United States District Judge Barry Ted Moskowitz. He faces a maximum penalty of five years in prison, and a \$250,000 fine.

## **DEFENDANT**

DR. ROMULO VALDEZ

## **SUMMARY OF CHARGES**

Conspiracy to Defraud the United States in violation of Title 18, United States Code, Section 371  
Maximum penalty: Five years in prison and a \$250,000 fine

## **AGENCIES**

U.S. Department of Health and Human Services, Office of Inspector General  
Federal Bureau of Investigation